



onflow

The State of B2B Contracts 2024

Exploring Contract Management Trends

Executive summary



2023 was the year AI made its mark on the world, and, as 2024 unfolds, the demand for automation has never been greater. It's not only the state of B2B contracts that's changing in 2024, it's all areas of business. Companies are looking to speed up their operations – across different platforms, locations, and time zones – and the market is quicker than ever to respond.

However, this report is about contract management, a vital part of any business. Contracts affect entire organizations, playing a significant role in everything from sales and HR, to procurement and legal. In fact, the big contract management theme for 2024 is automation. That means electronic signatures and digital contracts are being used to ensure faster deals and minimized errors.

The past year's advancements in technology are urging businesses to move towards digital contracts, away from pen and paper. Electronic signatures are becoming more common, enabling parties to execute contracts remotely, without delays. This not only speeds up transactions but also enhances security and saves the environment by reducing the use of paper.

Briefly about contract management

We define contract management as the process of managing the agreements that you, either individually or as a business, make with other parties. This process spans across the contract lifecycle from pre-sign to post-sign, covering the renewal, renegotiation, execution, compliance, archiving, and storing of contracts.

In this report, you'll learn about:



The most important features for future contracts



The top reasons contracts are not signed



The use frequency of digital contracts are among companies



Whether companies prefer electronic or written signatures

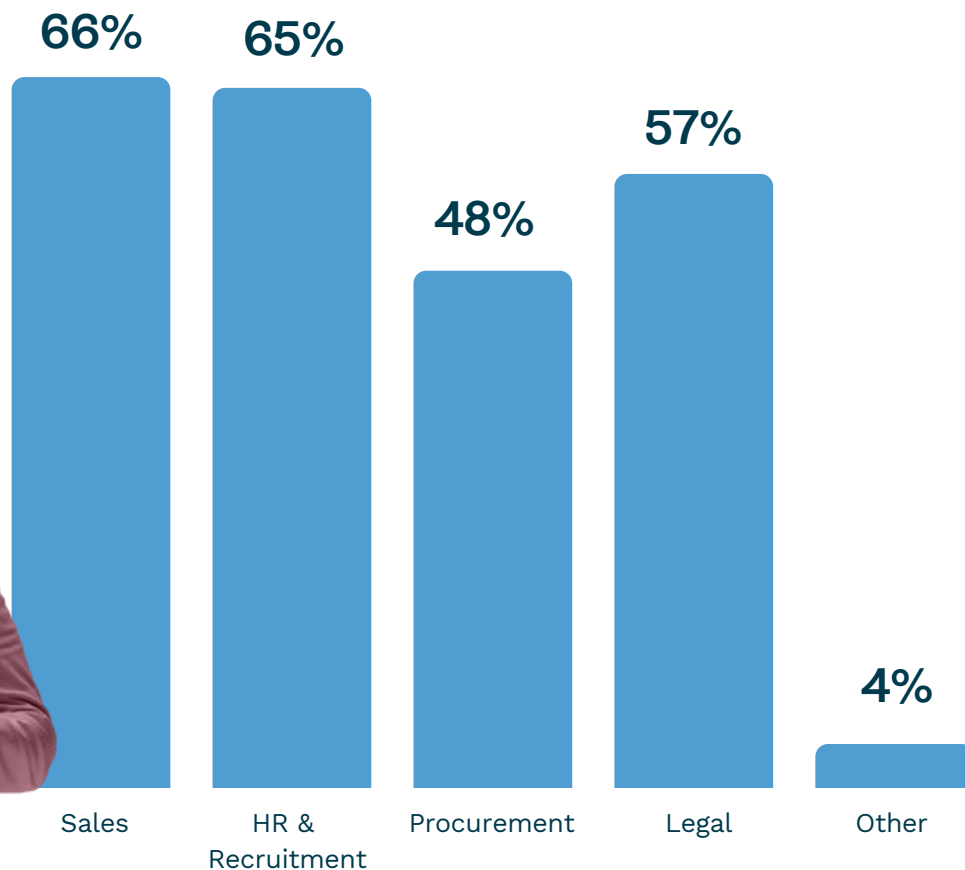


What ROI you can expect from implementing a digital contracting tool

With this report, we're diving deep into the state of B2B contracts going into 2024 – where do businesses stand today, and what can we expect going forward? You'll get all the answers here.



How respondents use contracts:



Methodology

Our goal with this report was to get a sense of how companies are managing their contracts today and in which direction they're headed. We conducted a poll, asking 300 business professionals across two continents and seven countries about their contract management.

The respondents came from the United States, the United Kingdom, Finland, Sweden, the Netherlands, Norway, and France. They all managed contracts as part of their jobs, either by creating, editing, sending, or signing them.



Contract automation is gaining traction

Top 3 most important features for future contracts:

32%

They can be signed on any device.

28%

They can be integrated into your CRM or platform of choice.

26%

Live collaboration.

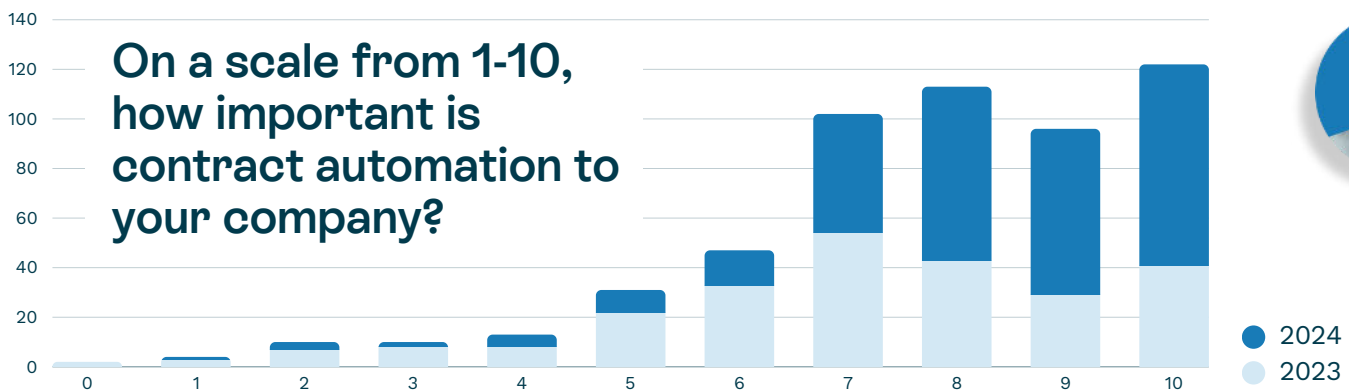
What ROI would you expect from implementing a digital contracting tool?

70%



70% of respondents answered that they expect to save time and money.

On a scale from 1-10, how important is contract automation to your company?



Respondents claim the most important feature for future contracts is the ability to sign on multiple devices. Second is the ability to integrate contracts into a CRM or platform of choice. This resonates with the fact that X % ranked contract automation as important to their company.

The ability to sign contracts on multiple devices is crucial for convenience, accessibility, and efficiency. It allows parties to execute agreements from anywhere, at any time, using their preferred devices.

Integrating contracts into a CRM or platform of choice is beneficial for centralizing data. For example, it allows for the collection of all customer-related data in one platform. It also makes the contracts more easily available, helping internal communication and collaboration across teams.

As for the expected ROI, it's clear that most businesses are aware that a digital contracting tool can help them save time and money. We'll probably see a rise in various contract automation tools in the coming year.

Demands for seamless contract signing

What would cause you not to sign a contract?

77% claimed that lack of clarity in clauses and terms would prevent them from signing a contract.

77%

How many times do you open or read a contract before you sign?

40% of respondents don't open a contract more than 3 times before signing!

>3
times

How do you sign a contract?

The majority of respondents use e-signature to sign contracts.



80% of respondents sign their contracts using electronic signatures.

60% of them use a mixture of written and electronic signatures.

The difference in percentage between companies using e-signature vs written signature is surprisingly small. 30% of respondents claim that difficulty in signing would prevent them from signing a contract.

Signing a contract with written signatures requires the physical presence of both parties, which can be an obstacle. Electronic signatures allow parties to sign contracts whenever they see fit without being limited by locations or time zones. According to respondents, 50% only open the contract 1-3 times before signing. In other words, they prefer deals to be closed fast.



There's still room for faster deals

How long does it take to get a contract signed?

75%



of respondents get a contract signed in one week. Only 17% of respondents get a contract signed in less than one day.

How many stakeholders on average are involved in a negotiation before a contract is signed?

51%

1-3

43%

4-6

5%

7+

Have any of your deals or contracts been affected by the tool or technology that you use for signature collection?



1 in 3 have had a deal or contract negatively affected by the technology they use for signature collection.

How fast should a contract be signed? Well, if you ask the parties, most of them would probably prefer the deal to close within a day or two. A supermajority of 75% of respondents get a contract signed in a week, and that's a good number. However, there's room for improvement. Only 7% of respondents get a contract signed in less than one day. That number could be higher.

For deals to close faster, the signing process needs to be on point. More companies are

looking to adopt electronic signatures and digital contracts. The signing process is faster than ever before, and new technology is being developed as we speak.

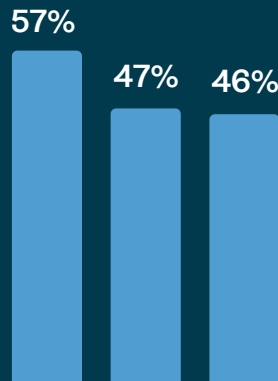
Unfortunately, 27% have had a deal or contract negatively affected by the technology they use for signature collection. As new tools keep emerging, the competition will become tougher, and companies will be pickier. It's no longer about whether you should invest in an automation tool, it's about what tool to invest in.

Watch out for last-minute edits



What are the top reason(s) you don't get a contract signed?

- Change of terms
- Pricing
- Legal complexity
- Change of mind
- Change in stakeholders
- Timing



57% reported that change of terms is the top reason they don't get a contract signed!

47% claimed the top reason to be pricing.

A close third (at **46%**) was legal complexity.

What's the most important to you when signing a contract?

77% of respondents answered that the most important thing when signing a contract is that the information is correct and no edits need to be made.

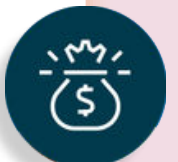


Change of terms is the top reason for contracts not getting signed. Anything that requires edits to the contract can slow down the signing process and cause the deal to fall through. 77% claimed that the most important thing when signing a contract is that no edits are needed. Additional edits will cause delays, especially if the contract is physical and a new version needs to be printed.

However, with digital contracts, edits can be made quickly and effortlessly. To combat last-minute edits, businesses are investing in automation tools that allow for smoother, more flexible signing processes.

Pricing was mentioned as the second biggest hurdle in getting contracts signed. This can be tackled by using a contract management system, like Onflow, giving you access to interactive pricing tables with automated calculations. A contract management tool will help you make pricing information easily available and transparent.

The third biggest challenge was legal complexity, which can be addressed by using clear language in terms and clarity in workflows. For example, approval workflows and signing orders, like who should sign first, need to be clearly defined and transparent from the very beginning of the contract process.



Digital vs paper contracts in 2024

Do you use the same software for contract signing and creation?

73% of respondents answered yes!



Where do you store your contracts?

54% store their contracts electronically on their computer or in the cloud.



What is more important for the future of contracts?

A majority of **69%** answered electronic signatures as a given component of the future of contracts.



Do you trust your contracts to be stored digitally?

75%



Yes



Do you trust the security of electronic signatures?

83%



Yes



A majority of respondents are in favor of digital contracts. They agree that electronic signatures are easier to collect than handwritten ones. More than half store their contracts electronically on their computer or in the cloud and use the same software for contract signing and creation.

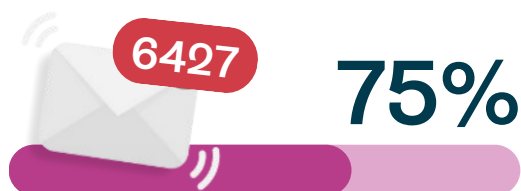
Over 80% trust the security of electronic signatures, as well as their contracts being stored digitally. Needless to say, businesses are making the switch from paper to digital contract management, one efficient step at a time.



Email still dominates contract communication



What kind of other communication do you go through to get a contract signed?



75% of respondents use email as a form of communication when getting their contracts signed.

The majority of respondents still use email as the primary form of contract communication. Email is great for communication in general but less ideal for sending and receiving sensitive information, like contracts. Despite the security aspect, email threads have a tendency to become lengthy – slowing down deals and causing misunderstandings. The fact that many businesses still rely on email for contract communication is a cause for concern. It's better if all contract communication is done in a contract management system, which only people with the right permissions can access.

When you think about contracts, what emotions come to mind?

Fear Excitement Responsibility
Success Pressure Achievement Joy
Anxiousness Frustration Safety
Optimism Calm Stress

As we can see, contracts stir up lots of emotions! They range from joyful to scared to everything in between. Stress, pressure, and even fear were common emotions among the respondents. That's what we're aiming to change! Signing a contract should be a happy and celebrative moment. With the right technology, businesses can create smoother, more effortless signing processes. Changing the negative perceptions surrounding contracts and turning them into catalysts for growth and collaboration rather than sources of anxiety and frustration.



The state of B2B contracts going forward

There's no doubt that the future of B2B contracts is digital. The data and insights presented in this report are very clear about that. We can expect a growing demand for contract management tools, with companies looking to speed up and simplify the entire contract process. Making it effortless to create, sign, and store contracts.

Electronic signatures and digital contracts will allow businesses to expand into new markets without being limited by locations or time zones. New businesses are starting to digitize their processes every day, but even though the majority have made the switch from paper to digital contracts, a large percentage is not there yet.

70% of our respondents claimed that they expect to save time and money by investing in a contract management system. It's a small investment that can make a big difference for any organization. Digital contracts are a cost-effective and effortless way to do business, both today and in the future.

It's no longer a question of whether you should invest in a contract management tool, it's a question about when and what tool.



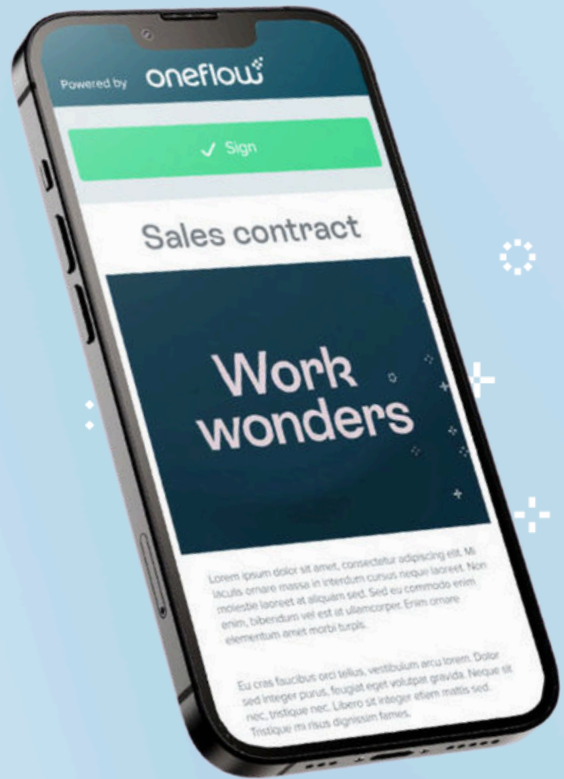
About Oneflow

Oneflow develops a contract automation platform powered by AI with the vision of helping businesses achieve a fully automated contract process. Contracts are at the heart of all businesses, yet while the world is undergoing digital transformation, contracts are stuck in a frustrating mess between PDFs, legacy systems, and inboxes just to get signed.

Oneflow believes there's a better contract workflow. One that is intelligent, easy to use, and rich in data gathers every step of the process in one place, allowing for better clarity and collaboration between all parties involved. And people can get on with what they do best.

With Oneflow, contracts are smarter, giving our thousands of users an experience so delightful, it feels like magic. Get started for free at oneflow.com.

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